

REMARKS

Applicants respectfully request the Examiner's reconsideration of the present application. No claims have been amended. Claims 7-31 have been cancelled. Claims 32-37 have been added. Entry of the amendments is respectfully requested. Applicants respectfully submit that no new matter has been introduced. Claims 32-34 are fully supported by Applicants' specification as filed in paragraphs [0031] and [0032]. Claim 35-37 are fully supported by Applicants' specification as filed in paragraphs [0027]. Accordingly, claims 1-6, and 32-37 are presented for examination

Claims Rejected under 35 U.S.C. §102(e)

Claims 1-6 stand rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,741,969 issued to Chen et al. ("Chen"). Applicants respectfully disagree with the rejections.

Among other limitations, independent claims 1 and 3 recite "automatically updating the state variable of each member entity with one of a group predefined, first states, in response to applying one of a set of predefined, rules to analyze some of the stored data." Chen does not teach or suggest this limitation.

According to the Office Action, Chen discloses a customized rule that processes incentive requests from users, and determines whether to accept or reject incentive requests, and how much incentive should be offered (col.6, lines 53-60; col. 9, lines 25-39). The determination is based on internal variables such as new customer status, dining frequency, beverage choice, etc. (col. 18, lines 14-67).

Claims 1, 3, 4, and 6 are not anticipated by Chen because the rules in Chen do not update the internal variables. Rather, the rules determine whether incentive requests should be rejected or accepted and how much incentive to offer if an incentive request is accepted, based on internal variable.

If, according to the Office on page 5, the internal variables in *Chen* are treated as the “state variable” as recited in claims 1, 3, 4, and 6, then *Chen* does not teach or suggest “automatically updating the state variable of each member entity with one of a group predefined, first states, in response to applying one of a set of predefined, rules to analyze some of the stored data” because *Chen* does not update its internal variables.

Dependent claims 2 and 5 depend from claims 1 and 4 and are not anticipated for at least reasons give above in support of their base claims. Accordingly, Applicants respectfully request that rejections of claims 1-6 be reconsidered and withdrawn.

CONCLUSION

In view of the foregoing, it is believed that all claims now pending are in condition for allowance and such action is earnestly solicited at the earliest possible date. If there are any additional fees due in connection with the filing of this response, please charge those fees to our Deposit Account No. 02-2666. Questions regarding this matter should be directed to the undersigned at (310) 207-3800.

Respectfully submitted,

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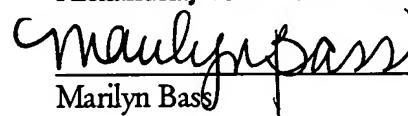


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Marilyn Bass April 6, 2006